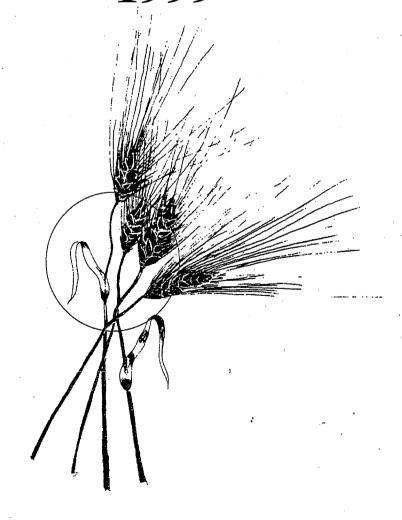
Maryland Agricultural Land Preservation Foundation

Annual Report 1999



MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION

ANNUAL REPORT

FOR

FISCAL YEAR 1999

MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION

Wayne C. McGinnis, Chairman Paul W. Scheidt, Executive Director

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STATE OF MARYLAND DEPARTMENT OF AGRICULTURE

MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION

November 1, 1999

The Honorable Parris N. Glendening, Governor The Honorable Thomas V. Miller, Jr., President of the Senate The Honorable Casper R. Taylor, Speaker of the House

Gentlemen:

We are pleased to present the 1999 Annual Report of the Maryland Agricultural Land Preservation Foundation and are proud to announce that this year marks the twenty-first year of the program's operations. The information in this report summarizes the activity that the Foundation has experienced during the past fiscal year. The Maryland Agricultural Land Preservation Foundation has permanently preserved more farmland acres than any other state in the nation. With the strong support of the legislature and the agricultural community, we hope to protect and preserve much more of Maryland's prime and productive farmland in the future.

During the past year, an additional 20,446 acres were placed into new agricultural land preservation districts. At the close of FY '99, after accounting for acreage adjustments due to lot exclusions and terminations, the Foundation had a grand total of 2,581 individual farms enrolled in our program protecting 342,502 acres.

Of those acres, and as of June 30, 1999, the Maryland Agricultural Land Preservation Foundation either purchased or has acquired options to purchase perpetual preservation easements on a grand total of 166,529 acres. Since the last annual report, the Foundation has acquired 104 new preservation easements in FY '99 covering 14,274 acres.

Although our progress continues to show increases each year, Maryland still is losing farmland at an alarming rate. Our mission is to preserve enough of Maryland's productive farmland to perpetually maintain a viable agricultural industry and to help curb the spread of random urban development. Your continued support allows us to challenge the future as land use issues grow ever more critical.

Wayne C. McGinnis, Chairman

Board of Trustees

Henry A. Virts, D.V.M. Secretary of Agriculture

Paul W. Scheidt

Executive Director

WHAT IS THE PURPOSE OF THE MARYLAND AGRICULTURAL LAND PRESERVATION PROGRAM?

The Maryland Agricultural Land Preservation Program (MALPF) was created by the Maryland General Assembly to preserve productive agricultural land and woodland to provide for the continued production of food and fiber for all citizens of the State. The preservation of agricultural lands will help curb the random expansion of urban development and protect agricultural land and woodland as open space land.

By preserving agricultural land, the Foundation also protects the quality of life that makes Maryland unique. Today, the Maryland Agricultural Land Preservation Program is the most successful program of its kind in the nation and has perpetually preserved more farmland than any other State in the union. Maryland's effort to preserve agricultural land also leads to the protection of wildlife and increases the environmental quality of the Chesapeake Bay and its many valuable tributaries.

HOW IS THE PROGRAM FUNDED?

Funding for the Maryland Agricultural Land Preservation Foundation is made up entirely of special funds. One revenue source is a portion of funds derived from the State Transfer Tax. The Foundation receives 14.5% of the State Transfer Tax remaining after certain funds are set aside by the State for long term obligations and allocations. In addition, the Foundation receives additional State Transfer Tax revenue from the creation and funding of the Rural Legacy Program.

In FY '99, the total State Transfer Tax received and made available for easement offers was \$15,586,000.00.

The Foundation also receives special funds collected as Agricultural Transfer Tax which is collected when farmland is sold and converted to another land use. The Foundation receives 2/3 of the amount collected by each county, while 1/3 is retained by the local jurisdiction, which will be used for agricultural land preservation purposes.

A county that has a certified local program may retain 75% of the Agricultural Transfer Tax collected. In FY '99, the Agricultural Transfer Tax which was made available for easement purchases was \$2,100,000. Local subdivisions also participate in the State preservation program by providing matching funds to help acquire easements up to 40%. Their participation has averaged \$3 - 5 million over the last two years. Lastly, over the past few years, the program has been successful in applying for, and receiving, Federal grants, made possible by the Federal Farmland Protection Program of the 1996 Farm Bill.

In FY'99 eighteen counties and the Foundation jointly applied for funding and received a grant of \$1.4 million to be used for purchasing easements. Four of the eighteen counties elected to use their share of the total grant amount in a local program and will be responsible for matching those funds individually. The balance of that grant, \$1,088,889, was allocated to the other fourteen counties that jointly applied for federal funds and will be used to purchase easements only on those participating counties. Historically, the two main sources of revenue have been (1) a portion of the State's property transfer tax, which is assessed on all real property transfers and (2) the Agricultural Land Transfer Tax, which is imposed on all transfers of title in agricultural land taken out of production.

HOW DOES THE PROGRAM OPERATE?

Program Administration

The Maryland Agricultural Land Preservation Foundation is governed by the Agricultural Article, Sections 2-501 through 2-515 of the Annotated Code of Maryland. The Program is administered by a 12-member Board of Trustees which include the State's Comptroller, Treasurer, and Secretary of Agriculture who all serve as exofficio members. The other nine members of the Board serve "At-Large" and represent various regions of the State. All members are appointed by the Governor and serve a term of four years. At least five of the at-large members are farmer representatives of which three represent the Maryland Agricultural Commission, the Maryland Farm Bureau and the Maryland State Grange.

Responsibilities of the Foundation's Board of Trustees, as they relate to the implementation of the Program include: disseminating information to farmland owners and other citizens of the State; providing assistance and coordination to 23 Agricultural Land Preservation Advisory Boards; promulgating program rules, regulations and procedures; reviewing and approving District Agreements and acquiring, by purchase or donation, agricultural land preservation easements on productive agricultural land within the State of Maryland.

The Program is completely voluntary on the part of the landowner, but is dependent upon the cooperation of local governments. This program requires each local government to appoint a five member agricultural land preservation advisory board to assist the Foundation in dispersing information about the program, creating program rules, regulations and procedures and creating agricultural land preservation "districts."

A district can be an individual farm but it must meet certain criteria as outlined below.

Qualifications and Benefits

To be eligible for district status, a property must have at least 100 contiguous acres with at least 50% of the total soils in the property classified as USDA soil capability Class I. II. or III and/or woodland group one or two. These soils are considered to be prime or productive and are capable of successfully producing viable agricultural commodities with reasonable yields and returns. Smaller properties may qualify under special exceptions or if the property is adjacent to land already enrolled in the Maryland Agricultural Land Preservation Program. For more details about qualifications or benefits or about eligibility of a specific property, contact the Foundation directly, or call the program administrator in the county where the property is located.

The landowner must be willing to maintain the land in agricultural use for a minimum of five (5) years, and be willing to have a document recorded in the land records that would restrict the subdivision and development of land and prevent the land from being used for any commercial, industrial, or residential use during the term of the District Agreement. Under the agreement, agricultural production and woodland production activities are encouraged and protected.

A landowner who includes his or her land within a district will receive the following benefits:

- Direct and indirect support of agriculture
- •Recognition from the county and the state by a recorded document in the land records of the county, that the preferred use of the property is agriculture
- Insulation of normal agricultural activities from nuisance complaints
- Possible tax credits (if the county, where the property is located, has developed a tax credit program)
- Eligibility to make application to sell an agricultural land preservation easement to the Foundation

Once the Agricultural Land Preservation District is established, the landowner is eligible to apply to sell an easement to the Foundation. However, due to the high demand of landowner participation and limited funds, there is no guarantee that an offer will be extended to the landowner by the Foundation. The application submitted by a landowner must include their asking price of any easement offered.

The maximum price that the Foundation may pay for an easement is either the landowner's asking price, OR, the easement value, whichever is lower. The easement value is determined by subtracting the Agricultural Value of the property from the Fair Market Value of the property (See figure 1 on Page 5).

Any offer made by the Foundation is subject to available funds and the approval by the State Board of Public Works.

The time it takes to sell an easement varies with each property but generally takes 9 - 14 months from the application deadline to actual settlement, barring the need for survey work, acreage verification, required signatures of owners, financial institutions or third party interests as well as unforseen title problems.

The Foundation requires a soil conservation and water quality plan for each property that is submitted for easement sale. The requirement for having a soil conservation and water quality plan began in 1985 and is intended to identify existing erosion and water quality problems on the land and the best management practices or other conservation measures necessary to address them. It also contains a schedule for implementing the measures necessary to address the problem areas. The landowner will be responsible for implementing the plan according to the schedule contained in the plan if an easement is purchased on the property and made a condition within the Deed of Easement

The purpose of the plan is to protect the land from erosion, increase potential yield production and reduce and/or eliminate the flow of sediment entering into neighboring streams, rivers and ultimately the Chesapeake Bay. A Forest Management Plan is also encouraged on properties having 50% or more of the land dedicated to woodland.

Once an agricultural land preservation easement has been sold, the property is perpetually protected from further development with certain rights available only to the landowner who originally sold the easement. These rights refer to the construction of a dwelling house intended for that owner and/or his children, subject to certain restrictions, density requirements, and local approval by the county.

Appraised Fair Market Value

(determined by the better of at least two appraisals conducted by the state and by the appraisal submitted by landowner if included with the application)

(less)

Agricultural Value

(equals)

Easement Value

(determined by a formula using land rents and soil productivity or the 5 year average cash rent in the County), whichever is lower

Note: The Foundation's offer to purchase an agricultural land preservation easement on any property will be dependent upon the county's approval of the application to sell an easement, available funds and the approval from the State Board of Public Works.

Figure 1. Easement Value Formula

COOPERATIVE ARRANGEMENTS WITH OTHER AGENCIES/PROGRAMS

Rural Legacy Program

In 1997, the Maryland General Assembly approved the Rural Legacy Program as a major component of Governor Parris N. Glendening's Smart Growth and Neighborhood Conservation Initiative.

Administered by the Secretary of the Department of Agriculture, Secretary of the Department of Natural Resources and the Director of the Maryland Office of Planning, the program was established to protect natural resources, farms, forests and other sensitive environmental areas while maintaining the viability of resource-based economies and the proper management of tillable and wooded areas. The program provides funds to local governments and land trusts to purchase interests in real property, as well as to purchase property in fee-simple, in designated rural legacy areas.

Over time, successful Rural Legacy Areas will establish greenbelts of forests and farms around rural communities, protect critical native wildlife and plant habitats, strengthen natural resource based economies, and protect riparian forests, wetlands and greenways buffering Maryland's valuable tributaries and bays from pollution runoff.

In Fiscal Year 1998 through 2000, the General Assembly authorized a total of \$54,233,453 in Rural Legacy Funds, including \$27,509,453 in Program Open Space real estate transfer tax funds; \$21,800,000 in General Obligation Bond Funds, and \$5,000,000 in supplemental general funds. The Rural Legacy Board and the Maryland Board of Public Works has awarded \$54 million of these funds to 22 Rural Legacy Areas, maintaining the

remaining \$233,453 for emergency costs related to easement or fee transactions or special research needed for the administration of the program.

On February 2, 1999, the Rural Legacy Board received 25 applications from Sponsors requesting \$90,643,339, proposing ten new Rural Legacy Areas. These proposed areas were from 19 of the State's 23 counties, and covered more than 400,000 acres of Maryland's most scenic and resource-rich lands.

The Rural Legacy Board and Advisory Committee recognize the state's need for land conservation cannot be met by Rural Legacy Program grants alone. Support from other programs remains steady. These include, among others, easements donated to, or purchased by, other state agencies, local governments or land trusts, tax incentives; and local land conservation polices expressed through comprehensive plans and protective zoning.

The number of applications, the size of the areas proposed by the Sponsors and approved by the local jurisdictions involved, and the total amount of funds requested, all demonstrate broad public and governmental support for land conservation and for the Rural Legacy Program.

The goal of the Rural Legacy Program is to preserve 225,000 acres of land during a fifteen year period, at an estimated cost of \$600 million. This would preserve an additional 5% of unprotected farm and forested lands in Maryland, resulting in 20.5% of the undeveloped land being protected!

PROPOSAL REQUEST FOR FEDERAL FUNDS

In 1998, MALPF and eighteen Maryland Counties jointly applied for a portion of the federal funds made available through the 1996 Farm Bill and the Federal Farmland Protection Program. Through this consolidated farmland protection initiative, a request was made for \$5 million, which would be matched mostly with state funds.

An award of \$1.4 million was granted to the consolidated farmland protection initiative and was equally divided among the eighteen counties participating in the joint application. The funds were used in making easement offers to landowners applying for the FY '99 Easement Acquisition Program.

Some counties elected to use their share of Federal funds as part of their total matching funds to the Maryland Agricultural Land Preservation Foundation. Anne Arundel, Baltimore, Howard and Montgomery elected to use their share for their local program or through the Rural Legacy Program. In doing so, they will have to match their share using other local funds.

The Federal Funds allocated to the fourteen counties that elected to use the funds directly in the Maryland Agricultural Land Preservation Program provided an additional \$1,088,889 for easement offers in FY '99. This allowed the Foundation to acquire 673 additional acres.



PROPOSED REGULATIONS AND POLICY CHANGE

Prioritization of Properties Submitted for Easement Sale

During the 1998 Legislative Session, the Maryland Agricultural Land Preservation Foundation submitted a bill to the Maryland legislature, which would allow the Foundation to make easement offers to landowners based on certain locally established priorities relating to the preservation of agricultural land.

The proposed bill would allow counties an option to utilize the Foundation's existing way of ranking properties for easement sale through the competitive bidding process <u>OR</u> to create a local prioritization method for the Foundation to use when making easement offers. This proposed change would help to preserve the "better quality" farms and to increase the size of preservation areas.

The bill was referred to conference committee and several amendments were made but not in time for legislative action.

Although the proposed legislation (HB 453) did not pass during the 1998 Legislative session, it passed during the 1999 session (HB 457). The bill allows each county to rank applications to sell agricultural land preservation easements based on either allowing MALPF to use the current ratio method or using a specified locally established priority system.

Most counties elected to use the current state ranking method while others requested approval of their own prioritization. The following counties have opted for a local prioritization method that encourages the preservation of better quality farms and/or strategically located properties:

Baltimore County Cecil County Harford County Kent County Washington County Wicomico County

For more information or for a summary of these prioritization methods, feel free to contact the Program Administrator in each county or the Foundation at (410) 841-5860.

Divisions of Land

Last year's Annual Report reflected on the issue of Divisions of Land, in which the Foundation discussed altering the number of certain allowable divisions permitted on land that is subject to an agricultural land preservation easement purchased by the Maryland Agricultural Land Preservation Foundation. Specifically, divisions included lot exclusions for the owners, children or pre-existing dwellings, and agricultural subdivisions.

There has been a lot of controversy about divisions of land and the subdivision of land over the past couple of years. The Foundation evaluated many different aspects last year and tried to incorporate those changes into one consolidated bill. However, it was put on hold and thought to be better to address each issue separately.

After many months of discussion, the Foundation's Policy Review Committee separated the "Divisions" issue into two parts:1) lot exclusions and 2) agricultural subdivisions.

The MALPF Board of Trustees supported this. The following reflects the general consensus of the Board:

1. Owner's/Children's Lots Exclusions:

- a. Maintain current policy of allowing lots to be excluded only for the owner who sold the easement and the owner's children. Lot exclusions are a personal covenant to the landowner who sells the easement and are subject to local approval which cannot be transferred to a subsequent owner or used by other individuals.
- **Change current density of lot exclusions to 1 lot per full 50 acres.** Currently, the program allows lot exclusions at a density of 1 lot per 20 acres or portion thereof.
- c. Modify the cap of allowable lot exclusions to no more than 4 lot exclusions per district. Currently, the program places a cap of no more than 10 lot exclusions per district property. Should existing houses count toward the maximum number of residential units? (See 3.a.)
- d. Increase the payback requirement (to an amount/percentage not yet determined). Currently, the program requires a payback of the per acre amount received by the landowner as payment for the easement.

2. Agricultural Subdivisions:

- a. Landowner has the burden of proof and must demonstrate the need and viability for any proposed agricultural subdivision.
- b. Modify current policy to not allow Agricultural Subdivisions on properties containing less than 100 acres (exception could be made for minor acreage to straighten a boundary). Current policy allows one agricultural division per 100 acres or portion thereof; the subdivision must have a minimum of 20 acres, and both the parcel to be subdivided and the remaining parcel must meet the minimum soils criteria of the program.
- c. Waive the minimum size criteria if the proposed subdivision is to be conveyed to an adjacent landowner whose land is under an agricultural land preservation easement. No recommendation was made to allow a subdivision to be added to property in district status.
- d. If the proposed subdivision is conveyed to an adjacent landowner whose land is under an agricultural land preservation easement:
 - (I) The remaining portion must still be viable and meet the minimum size and soils criteria for participation in the program. The Board needs to define how they will determine whether or not the remainder of the property is still viable.
 - (ii) A deed restriction must be placed on the parcel being transferred so that it cannot be further subdivided or sold separately from the receiving property.

e. If the proposed agricultural subdivision is to be conveyed to a landowner not owning adjacent property under easement, then the proposed agricultural subdivision must be at least 20 acres in size. Although there had been some discussion to change the minimum size to 50 or 100 acres, no consensus was reached. Therefore, the minimum size under current policy prevails.

3. Pre-existing Dwellings

Foundation staff presented draft legislation to the Board of Trustees concerning pre-existing dwellings. The proposed bill as drafted will require a landowner, who has pre-existing dwellings on land he/she submits for easement sale to designate one of those dwellings to be one that will never be subdivided from the farm. It is hoped that the main dwelling will be the one designated but the board agreed not to incorporate that into the bill.

The proposed bill will also allow a landowner to designate other pre-existing dwellings as dwellings that cannot be subdivided from the farm and in doing so, they will not count towards the total allowable lot exclusions or dwellings permitted on the farm as provided in Section 2-513 of the Annotated Code. Many issues dealing with pre-existing dwellings have been discussed including a definition of the "main dwelling", 2) properties that have several pre-existing dwellings that exceed the allowable density, 3) properties with no pre-existing dwellings, 4) tenant houses and the number of dwellings the Foundation feels is acceptable on a particular piece of property, and 5) how does this consensus solve the problem.

The following reflects the Board's consensus, which will be put into bill form and submitted to the legislature for the 2000 Maryland General Assembly:

If any dwellings exist on the land, at least one dwelling must remain with the farm and can never be subdivided separately from the farm parcels.

All pre-existing dwellings shall count against the total number of lots permitted under local zoning where approved and under Foundation regulations for future lot exclusions unless they are designated by the landowner and by the Foundation that they shall remain with the farm and will never be subdivided separately.

Provided that the pre-existing dwelling has been designated as a dwelling that cannot be subdivided separately from the farm.

- a. Pre-existing houses will count against allowable lots unless designated as a dwelling which cannot be subdivided. Exception if it is to be used as an owner's or child's lot. Current policy is to not count pre-existing dwellings against the total allowable lot exclusions on district or easement properties.
- b. The main dwelling must be designated and cannot be subdivided from the farm. The Board must determine criteria for identifying what is the "main dwelling" on a farm.

1999 LEGISLATION

• House Bill 457 - Maryland Agricultural Land Preservation Foundation - Easement (Passed)

This bill was submitted by MALPF in order to allow each county governing body to rank certain easements based on certain locally established priorities that have been approved by the Foundation; altering the basis on which a county agricultural preservation advisory board shall make certain recommendations for ranking applications to sell easements under certain circumstances; providing that the Foundation rank certain applications and submit offers to buy certain easements based on certain Foundation approved, locally established priorities; and generally relating to the Maryland Agricultural Land Preservation Program. (See Page 8 for more detailed information).

• House Bill 669 - Maryland Agricultural Land Preservation Foundation - Contract Purchasers (Passed)

This bill was submitted for the purpose of allowing a contract purchaser of land, with the written approval of the landowner, to file a petition requesting the establishment of an agricultural district with the county governing body; allowing a contract of the landowner, to sell an easement to the Foundation on certain agricultural land; providing that the Foundation shall notify all contract purchasers whose applications have been rejected during that fiscal year and the reasons for the rejection; prohibiting a certain contract purchaser whose application has been rejected from reapplying to sell an easement on the same land on the same terms until a certain time; and generally relating to contract purchases and the Foundation.

• House Bill 704 - Agricultural Land Preservation - Recreational Use (Withdrawn)

This bill was submitted for the purpose of prohibiting certain uses on agricultural land under a preservation easement; requiring the Agricultural Land Preservation Foundation to adopt regulations on recreational uses of land in agricultural districts; and generally relating to recreational uses of land in the Agricultural Land Preservation Program.

This bill was withdrawn from the sponsor to allow the Foundation to address this through draft regulations, which were being prepared.

 Senate Bill 572 -Agricultural Land Preservation - Sand and Gravel Pilot Program (Passed)

This bill was submitted for the purpose of authorizing the Agricultural Land Preservation Foundation to establish a pilot program for the extraction of sand and gravel from certain land; providing certain components of the pilot program; providing for the adoption of certain regulations; and generally relating to agricultural land preservation and sand and gravel mining.

 Senate Bill 616 - Carroll County Forest Conservation Program - Agricultural Preservation Land Exceptions (Bill did not pass out of Conference Committee)

This bill generally relates to the restrictions of the Forest Conservation Program and exempts certain activities conducted on land protected by a permanent MALPF easement in Carroll County. The Bill will only exempt properties under easement in Carroll County. All other counties and properties must comply with the Forest Management Program restrictions.

CERTIFICATION OF COUNTY AGRICULTURAL LAND PRESERVATION PROGRAMS

The Certification of Local Agricultural Land Preservation Programs was created by the Maryland General Assembly in 1990 and is jointly administered by the Maryland Agricultural Land Preservation Foundation and the Maryland Office of Planning. Participation in the program by interested counties is completely voluntary. Counties that have an effective agricultural land preservation program and wish to be certified must apply to both MALPF and the Maryland Office of Planning for certification.

The Certification Program allows counties to retain greater portions of the agriculture transfer tax if they are able to demonstrate that they have an effective program to preserve agriculturally viable farmland.

Non-certified counties keep one-third of the Agriculture Transfer Tax they collect. These funds are to be used for agricultural land preservation purposes. Certified counties are allowed to keep 75% of the Agricultural Land Transfer Tax revenue. The increase in a county's share of Agriculture Transfer Tax helps counties to support an agricultural land preservation program.

Certification allows counties to create a preservation program that best meets local goals and local needs. In combination with easement purchases, counties use other preservation tools such as agricultural zoning, transfer of development rights, right-to-farm policies, and the establishment of agriculture as the best use of land. Other important aspects of local programs include defined areas for preservation and established acreage goals.

In 1999 there were three counties certified as having a newly created program. With the certification of Queen Anne's, Cecil and Talbot counties, the Foundation and the Maryland Office of Planning have together certified a total of fifteen (15) counties as having an effective land preservation program of their own that appears likely to be successful in supporting viable agricultural operations and preserving agricultural land in perpetuity. A brief status report on each County program follows:

Anne Arundel County

The County's General Development Plan was adopted on September 2, 1997. It is in concurrence with the seven visions as set forth in the Maryland Economic Growth, Resource Protection and Planning Act of 1992. Key recommendations of the plan include Small Area Plans, Mixed Use, Transferable Development Rights and Rural Villages.

The preservation of rural areas is a major element of the Plan. The Land Use Plan Map identifies these areas and the Plan recommends the county increase funding for acquisition of agricultural and woodland easements, study the feasibility of developing a transfer of development rights program, and other initiatives to help preserve them.

The county's Comprehensive Plan update for FY 1998 is "to conserve areas of the county that are primarily rural, agricultural, open space, and environmentally sensitive areas by concentrating development in other areas of the county that have existing or planned public facilities".

The revisions to the comprehensive plan include recommendation to the Agricultural and Woodland Preservation Program under a variety of headings:

Resource Inventory and Management

• Require use of best management practices in agriculture.

Financial Strategies

- Fund an installment payment program.
- Investigate innovative methods of financing the local Purchase of Development Rights Program (PDR) program.
- Form cooperatives for local produce in supermarkets and restaurants.
- Form an agricultural and marketing council to promote local farm products, develop a farm directory, host farm tours and harvest sale.

Development Regulations

- Provide incentives, including Transfer of Development Rights (TDRs) and rural clustering, to preserve farm land and forests.
- Provide incentives to develop in areas that have or are planned for infrastructure.
- Develop and adopt Transit Station Area Zoning overlay districts and designate them as receiving areas for TDRs.

Public Information Initiatives

- Develop a Countywide marketing strategy for local farm products.
- Develop demonstration programs for alternative farm and forestry products, including speciality crops.
- Develop an agricultural awareness campaign including a conference and farm days.
- Continue to support the Soil Conservation District in its efforts to educate farmers in establishing best management practices.

Administrative changes to the County's program over the last several years included a change in the minimum acreage for woodland easements being raised from 10 to 25 acres and land in Open Space zones became eligible to sell easements. The easement values are set at 60% of the fair market value. In addition, lot exclusions must be made before an easement is sold.

The Comprehensive Plan also recommended that the county start an installment purchase program and investigate innovative methods to finance the program, such as obtaining funding from other sources such as Rural Legacy and federal farmland protection programs.

The County's capital budget through FY 2004 calls for \$1.8 million for buying easements, plus \$400,000.00 in state funds. Out of \$1.8 million, \$1 million will be used for the Installment Purchase Agreement program currently in the development stages.

As of June 30, 1999 there were 96 Anne Arundel County properties enrolled in the MALPF program as State Districts, totaling 9,339 acres. Of those properties 32 have been permanently protected by State easements, totaling 3,945 acres. The Anne Arundel County Certified Program has enrolled 69 properties, totaling 4,244 acres and 31 County easements, totaling 2,410 acres.

Baltimore County

Baltimore County first adopted legal measures to protect its agricultural land, watersheds and rural landscapes in the 1970's.

The 1979 Master Plan established the goal of maintaining two-thirds of the County as rural and directing growth to the remaining one-third of the County.

The County's 1989 Master Plan strengthened the agricultural preservation provision of the 1979 Master Plan by designating 130,000 acres as Agricultural Preservation Areas and articulating the policies of maintaining farmland and the agricultural industry.

The County has one of the most restrictive agricultural zoning densities on the East Coast one subdivision per 50 acres. However, it has experienced conflict when land adjacent to agricultural zoned land is developed under a different zoning classification. In an attempt to prevent this problem, the County adopted a cluster ordinance in 1992 on land zoned for watershed protection that is often next to agriculturally zoned land. Unfortunately, the cluster zoning has not proved protective of either agricultural land on site or of adjacent land. The County is investigating remedies which include rezoning, amendments to the cluster regulations, and development buffers.

The County is concerned with the rate of preservation versus development and is carefully monitoring this problem. Baltimore County's preservation program ranks among the nation's top ten, according to <u>Farmland Preservation</u> of June 1997.

The County has maintained over 100,000 acres of land in agricultural production (source: Maryland Assessment and Taxation Office, 1997). In addition, as a result of outreach efforts by the Maryland Environmental Trust, local land trusts have been formed. The land trusts that assist or that co-hold easements donated in the County include the Manor Conservancy, Land Preservation Trust, the Gunpowder Valley Conservancy, Long Green Conservancy, and the Caves Valley Conservancy.

As of June 30, 1999, there were 313 Baltimore County properties enrolled in the

MALPF program as State districts, totaling 29,202 acres. Of those properties, 126 have been permanently preserved by State easements, totaling 13,901 acres.

The Baltimore County Certified Agricultural Land Preservation Program enrolled 9 properties, covering 905 acres as of June 30, 1999.

Calvert County

In FY '97 Calvert County completed the twoyear process that produced a new Comprehensive Plan, which was finally adopted in late December, 1997. The goal included an expanded target area for farm and forest preservation. Calvert's farm preservation strategy is central to the implementation of the plan's main goal reduction of the total buildout to preserve the county's rural quality of life.

The Farm Community/Resource Protection overlay of 56,000 acres that prohibits transfer zones is the County's next target goal for farm preservation. The County's Planning and Zoning staff is working to develop a mix of incentives and restrictions within rurally zoned acreage that will result in saving 40,000 acres within this expanded area.

Land trusts in the County have become the County's partners, utilizing the county program to purchase farms in competition with developers, using Purchase and Retirement (PAR) fund sales to leverage these transactions.

The County has an active TDR and PAR program. The planning and zoning staff of Calvert County requested more money from general funds to go to the PAR program in FY '99.' With the doubling of the preservation goal, the county finds itself in an increased competition with the development community. Effective program implementation will require a mix of

incentives to support developer demands for TDRs and Board action to increase funding for the PAR program, so that farmers do not feel pressured to sell in fear of buildout reductions in the future.

By the end of FY '98, the County had applied for \$7,000,000 in Rural Legacy funding after a comprehensive identification was made of farmland and forest properties surrounding the many major watersheds. A grant for \$1,500,000 for the Battle Creek watershed was received from Rural Legacy funds. This will preserve 400 acres. The County will use the program as a way of reaching out to those owners of prime farm properties around their vulnerable watersheds who have not yet enrolled.

Three land trusts have become partners with the County, using PAR fund sales to leverage the transactions.

The County has 20,978 acres enrolled in the State and local programs. The County has exceeded its original goal of 20,000 acres of prime farm and forest land. The new goal of 40,000 acres within the Farm Community/Resource Protection District overlay doubled the area that would become the focus of the County's preservation efforts.

As of June 30, 1999, there were 48 Calvert county properties enrolled in the MALPF program as State Districts, totaling 6,171 acres.

Of those properties, 26 have been permanently preserved by State Easements, totaling 3,647 acres. The Calvert County Certified Program has preserved a total of 10,176 acres, through their TDR program, and/or PAR Fund sales.

Carroll County

Carroll County has contemplated a TDR program but has decided against it because of the opposition to setting up receiving areas. They felt the PDR program would suffer from a loss of funding and commitment if a TDR program were recommended. They have discussed a transfer tax of 0.5% to 1% on all property transfers as a proposed method for financing PDRs.

A right-to-farm ordinance was passed in 1994. Agriculture is defined as the preferred use in the agricultural zones, and no agricultural use will be subjected to restrictions for interfering with other uses. Businesses that support agriculture or market farm products are permitted as conditional uses in agricultural areas.

Carroll County government acknowledges the importance of agriculture both economically and culturally, and remains sensitive to the changing needs of the agricultural community as the County's population increases.

As of June 30, 1999, there were 389 Carroll County properties enrolled in the MALPF program as State districts, totaling 47,583 acres. Of those acres, 235 have been permanently preserved by State easements, totaling 29,971 acres. During FY '99, the County enrolled six new farms in the County's Critical Farms Program, totaling 898 acres. The Critical Farms Program has helped to preserve 28 farms, totaling 3,611 acres. The Critical Farms Program covers 1,411 acres that are not covered by a MALPF easement.

Cecil County

During FY '99 Cecil County was certified as having a newly created agricultural land preservation program and was certified for a period of two years.

Their program consists of supplementing the MALPF program by augmenting the current funding available to the County.

Cecil County intends to use the additional 42 percent of collected agricultural transfer tax retained as a result of certification for the 60/40 portion of the MALPF Matching Fund Program.

The County intends to utilize the tax revenue lost by providing tax credits on MALPF easements as its qualifying expenditures.

The County adopted property tax credits for land subject to MALPF District Agreements and Easements (50% and 75% respectively).

The County also appointed an Agricultural Land Preservation Task Force to develop a comprehensive agricultural land preservation strategy and program for the county. Two of the seven land use districts identified in the Comprehensive Plan are primarily, if not solely, dedicated to the preservation of agricultural land. Specifically, these two land use districts which encompass approximately 72% of the County's overall area, are the Rural Conservation District and the Resource Protection District.

As of June 30, 1999, there were 97 Cecil County properties enrolled in the MALPF program as State districts, totaling 14,923 acres. Of those acres, 52 have been permanently preserved by State easements, totaling 8,976 acres.

Charles County

A Right to Farm ordinance has been drafted and accepted by both County officials and the farming community. A public hearing for this proposed ordinance is scheduled for December, 1999. The ordinance will minimize conflicts between agricultural and non-agricultural communities and promote a good neighbor policy by advising purchasers and users of property adjacent to or near agricultural and forestry operations of the inherent potential conflicts between land uses.

The County's agriculture goal of the 1997 Comprehensive Plan is aimed at protecting the land resources necessary to support the County's agricultural industry and enhance its rural character. The County supports agricultural preservation through a combination of development controls and incentives. Residential development is limited in agricultural areas of the County using density limitations and clustering techniques.

A future implementation strategy of the county includes the creation of a Rural Commission to recommend a land use plan for rural areas, additional funding for the MALPF program and improvements to the Transfer of Development Rights program.

On March 1, 1999, Charles County made an amendment to its development rights program and Zoning Ordinance that is likely to increase the demand and value of TDRs.

This amendment requires that any residential density granted by the County Commissioners greater than the base density of the zone has to be achieved through the transfer of development rights.

Other goals of the County include support of agricultural preservation through a combination of development controls and incentives. The County encourages greater use of and funding for the purchase of development rights through the MALPF program.

In addition to preservation of agricultural land, the county wants to reduce the conversion of forest lands to other uses and increase forest resources in targeted areas.

Charles County is interested in establishing an agricultural land preservation acreage goal and benchmarks to evaluate progress.

As of June 30, 1999, there were 68 Charles County properties enrolled in the MALPF program as State districts, totaling 10,632 acres. Of those properties, 7 have been permanently protected by State easements totaling 1,503 acres. In addition, the county has 1,183 acres preserved through their TDR program and 57.5 acres in the Conservancy for Charles County, Inc.

Frederick County

Frederick County's restrictive agricultural zoning allows three lots to be subdivided from a 25 acre parcel, plus one more lot for each additional fifty acres. Lots may be no bigger than two acres, and must be clustered if more than three lots will be used.

The County is divided into eight regional plans, each of which contains Community Growth Limit Boundaries. This concept gives permanence to the County's goal to preserve agriculture in certain areas.

The County's Comprehensive Plan contains a goal of preserving the best agricultural land and includes an acreage goal of 100,000 acres to be preserved by 2020 and a TDR program to strengthen the County program.

Frederick County has a right-to-farm law, which includes notification to all property owners and a Reconciliation Committee that resolves disputes without having to go to court.

As of June 30, 1999, there were 157 Frederick County properties enrolled in the MALPF program as State districts, totaling 23,196 acres. Of those properties, 70 have been permanently preserved by State easements, totaling 12,000 acres. The Frederick County Certified Program has purchased easements independently from the State on five properties, totaling 494 acres. Seven additional properties were preserved in the Critical Farms program totaling 763 acres. The County also has 32 properties protected by an MET Easement totaling 2,402 acres.

Harford County

Harford County Government experienced a new administration as of December, 1998, which will continue the commitment to land preservation options for landowners. The new administration's goal is to reach 35,000 acres under easement protection in four years. Under this direction, a new Office of Agriculture and Resource Preservation was created to focus toward the preservation goal.

Landowners in Harford County will have many options for preserving their property. The County's certified protection program projects that they will preserve ten farms each fiscal year. This past year, eight farms came under County district status. The State program continues to be a strong option for landowners county wide and again the County will fully match their portion. Together with donated easement activity, the State and County options will continue the effort in preserving farmland for future generations and currently have combined easements totaling over 27,000 acres.

Another option for preservation is the Lower Deer Creek Rural Legacy Area Program. This State funded program will give owners in the specific legacy area of Darlington additional tools for easement settlements with a \$1.75 million approved grant from the State.

The new office of Agriculture and Resource Preservation has taken over responsibility for preservation of historical and natural resource areas in the County. This new role will expand designation of historical sites and preservation and will also review natural resource preservation programs.

Harford County's new administration is reviewing other land planning options such as TDR programs, stronger right to farm legislation, buffering options and conservation clustering provisions.

The administration is supporting agricultural economic initiatives to promote and improve the farming economy wherever possible. The Ag 2000 initiative, with community support, will help develop value added products and new types of agricultural products wherever possible.

As of June 30, 1999, there were 233 Harford County properties enrolled in the MALPF program as State districts, totaling 25,200 acres. Of those properties, 90 were permanently protected by State easements, totaling 10,021 acres. The Harford County Certified Program has 2,252 acres in County Districts.

In addition, the County has permanently preserved 15,338 acres. There are also 2,532 acres preserved by Maryland Environmental Trust easements and 250 acres in Harford Land Trust easements.

Howard County

The County's County Code was amended to accommodate a certain amount of flexibility to use alternative funding sources and to allow for the purchase of agricultural preservation easements in a manner consistent with outside funding sources as well as the local requirements. Administrative policies and procedures have been

developed in order to effectively use these or any other funds which are provided to the County from outside sources.

In the spring of 1999, the County initiated the General Plan Update, which will include a substantive review of the preservation efforts to date, financial capabilities for new PDR programs, and a review of the status of the agricultural industry in Howard County.

The Planning Board discussed the Report of the General Plan Task Force in the summer of 1999. The following agricultural and preservation topics are expected to be designated by the Planning Board as part of the Staff Work Program as part of the General Plan Update process which include, but are not limited to:

- Assess the progress towards the 1999 General Plan goal of permanently preserving 30,000 acres. Review the inventory of uncommitted land in terms of size and distribution to better assess the potential to achieve preservation goals.
- Explore the role easement purchase programs should play in the County's future agricultural land preservation efforts and possible funding mechanisms including participation from other public and private programs.
- Evaluate how the County can best target its economic development and land preservation efforts in light of the continuing transition in the farm industry from traditional grain and livestock farming to horticulture, horses, specialty agriculture and other small-scale forms of agriculture.

• Examine how the County can use land use and development regulations, as well as other means, to minimize the potential for land use conflicts between farms and residential development, and to promote public awareness of farming practices and the value of the farm industry to the County.

As of June 30,1999, there were 49 Howard County properties enrolled in the MALPF program as State districts, totaling 6,282 acres. Of those properties, 27 have been permanently preserved by State easements, totaling 3,953 acres. Howard County's Certified Program has permanently preserved 13,930 acres. There are also 2,560 acres in environmental and historical preservation easements in the rural non-planned service area. The total preservation in the Rural West is over 20,000 acres.

Kent County

Kent County's innovative funding strategy was moderately successful in its first year. The county initiated a voluntary check-off box program located on a brochure which was distributed through the local tax mailings and also circulated separately.

The check-off brochure sent to all property owners with the tax bills generated \$2,480.00.

The County is dedicated to preserving agricultural land but does not want to set a long term acreage goal. In lieu of setting long term goals that may not be reachable, the County will set short term goals and update them as needed.

The Agricultural Advisory Board has recently completed an Agriculture Priority Map, which shows lands that are considered essential to the continuance of agriculture in Kent County. Growth is planned to occur in and around existing communities.

The County has recognized the development of farmettes as a problem and is taking steps to address the issue in the Land Use Ordinance Work Group.

As of June 30, 1999, there were 83 Kent County properties enrolled in the MALPF program as State districts, totaling 15,344 acres. Of those properties 45 have been permanently preserved by State easements, totaling 8,162 acres. In addition the Maryland Environmental Trust holds 24 easements on 5,061 acres.

Montgomery County

Montgomery County's goal is to save 70,000 in the 93,000 acre Agriculture Reserve Area by the year 2005. Their emphasis is primarily on prime and productive soils.

Montgomery County has tax credits available on donated MET easements. 100% property tax credit is given on unimproved property for 15 years. In FY '94, the agricultural transfer tax account became an investment fund that has provided over \$1,026,654 in interest in the first six years.

The County supports the agricultural business by producing a farmland preservation brochure which is sent directly to the landowners informing them about the County's preservation program. Right to farm protection accompanies easements in the county and \$80 per acre is added to easement offers when best management practices are used. Each year the County holds a farm tour and harvest sale, which allows suburban residents to visit participating farms, learn about them and to buy farm products.

The County is revising its easement pricing formula and changing its Agriculture Easement Purchase Program regulations. A request for \$600,000 in bonds to supplement transfer taxes has been requested by the County Department of Economic Development for 1999-2006.

The County is currently inventorying remaining farms in the County and evaluating those farms already in the program to determine if easement purchases are providing long term benefits to the agricultural community and industry.

The County joined Washington and Frederick Counties to submit a Mid-Maryland Rural Legacy Application. The County was awarded \$3.7 million to protect 834 acres which lie in the Agricultural Preserve for the FY '98-99 Rural Legacy Funding Cycle.

In addition, Montgomery County received \$850,000 to protect 252 acres which lie in the Patuxent portion of the Agricultural Reserve for the FY '98-99 Rural Legacy Funding Cycle.

The County has also received federal farmland protection program funds to further augment available funding sources.

As of June 30, 1999, there were 24 Montgomery County properties enrolled in the MALPF program as State districts, totaling 4,676 acres. Of those properties, 11 have been permanently preserved by State easements, totaling 2,071 acres. Montgomery County also has preserved a total of 5,130 acres in their local purchase of development rights program. Along with that accomplishment, they have preserved 1,959 MET acres and 40,583 acres in their TDR program.

Queen Anne's County

During FY '99 Queen Anne's County was certified as having a newly created agricultural land preservation program and was certified for a period of two years.

Their program consists of supplementing the MALPF program by augmenting the current funding available to the County. Queen Anne's County intends to use the additional 42 percent additional agricultural transfer tax retained for the 60/40 portion of the MALPF Matching Funds Program.

Queen Anne's County's Board of Commissioners has committed to dedicate 1% of the total tax dollars generated from agriculturally assessed properties to the preservation of agricultural land though MALPF Certification.

The County has a goal to preserve 30,000 acres by the year 2010, and 50,000 acres of farmland by the year 2030.

The agricultural land preservation goal of the 1993 comprehensive plan is to preserve and protect large areas of the County for agricultural use by limiting the number of dwelling units that can be built in such areas and maintaining large areas of open space.

Sixty eight percent of the County's land mass is covered with farms and 88% is zoned Agricultural or Countryside. Farms in these zones are eligible for farm land preservation programs. The County has not identified an agricultural preservation area.

The agricultural district is intended to preserve and protect areas of the county that are predominately in agricultural use and are characterized by agricultural and related use, while permitting a minimal amount of new residential development, provided the rural and agricultural character of the area is preserved. The countryside district protects rural and sensitive areas in the Critical Area by controlling densities and design.

The County uses TDRs, MET, and MALPF, plus private conservation organizations such as the Eastern Shore Land Conservancy and the Conservation Fund.

In general terms, considering only MALPF, MET and TDR restricted lands, there are 34,661 acres preserved in Queen Anne's County.

As of June 30, 1999, there were 172 Queen Anne's County properties enrolled in the MALPF program as State districts, totaling 29,449 acres. Of those properties 79 have been permanently protected by State easements, totaling 14,166 acres.

St. Mary's County

St. Mary's County's Advisory Board has set an initial goal of preserving 17,000 acres (or 37% of 46,000 acres of crop land). They estimate that \$25.5 million would be needed to achieve the County's goal. In addition, the Advisory Board set a one year goal of 1,000 acres to be placed in agricultural land preservation districts through either the county's certified local preservation program, or the Maryland Agricultural Land Preservation Foundation.

The County developed a ranking system which is being used to determine areas of focus for the Agricultural Land Preservation Advisory Board. Priority areas have been identified in the 4th, 5th and 7th Election Districts as areas in which to focus land preservation efforts. They continue to focus on the update of the Comprehensive Land Use Plan. In particular,

they are trying to adopt a workable transferable development rights program, along with zoning changes.

The County's Advisory Board is considering the study of possible longer-term dedicated funding sources for the County's farmland preservation program.

During the 1997 Legislative Session, the County's tax credit program was approved and has increased participation.

A 50+ acre farm that enters an agricultural district for five years receives a 100% tax credit on all agriculturally assessed land. A tax credit is also given on \$40,000 of assessed value of improvements.

As of June 30, 1999, there were 54 St. Mary's County properties enrolled in the MALPF program as State districts, totaling 7,320 acres. Of those properties, 24 have been permanently protected by State easements, totaling 3,009 acres.

Talbot County

During FY '99 Talbot County was certified as having a newly created agricultural land preservation program and was certified for a period of two years.

Their program consists of supplementing the MALPF program by augmenting the current funding available to the County. Talbot County intends to use the additional 42 percent additional ag transfer tax retained for the 60/40 portion of the MALPF Matching Program.

The source of funding that Talbot County is committing to spend as qualifying expenditures is through a voluntary check-off box program.

Donations collected through the check-off program shall be obligated to providing a source for the County's 9% Match of the Certified Agricultural Land Preservation Program. If not covered through the County's 9% matching fund obligation, the shortfall shall be covered by the County's General Fund.

Talbot County's Comprehensive plan, adopted in October, 1997, calls for the County to preserve rural character, maintain food and fiber supply, protect valuable natural resources, prevent suburban sprawl, maintain open space, preserve the local economic base, preserve rural lifestyles, maintain opportunities for niche agriculture and maintain agricultural reserves.

Talbot County prefers not to target easements. Their Certified Agricultural Land Protection program will be available to all applicable landowners in the County that are located in the Rural Agricultural Conservation Area or the Rural Conservation Area, which encompasses all land within the Chesapeake Bay Critical Area. The two zones together comprise of 89% of the County's land. The County has a goal of 40,000 acres of perpetually preserved land by 2020.

As of June 30, 1999, there were 73 Talbot County properties enrolled in the MALPF program as State districts, totaling 11,732 acres. Of those properties, 32 have been permanently protected by State easements, totaling 5,879 acres.

Washington County

Washington County's goal is to preserve 50,000 acres. Their strategy includes incorporation of designated preservation areas into the comprehensive plan (85,000 acres of prime and productive land outside of urban growth areas and not scheduled for sewer and water service).

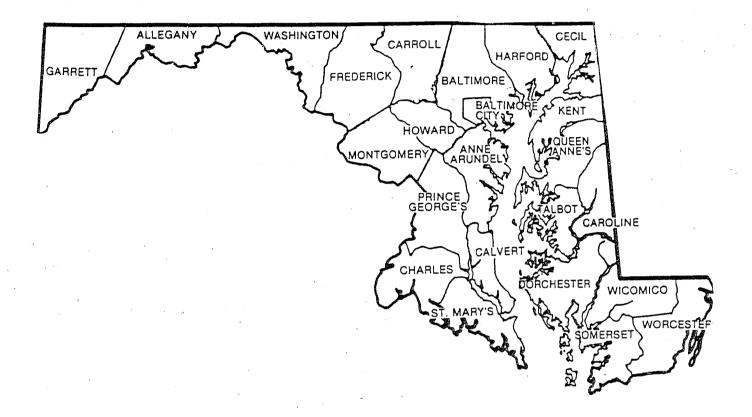
The County is working to avoid isolated islands of easements though updates to the comprehensive plan. A major component of the plan will be concepts related to growth inside and outside the Urban Growth Areas, and how to achieve a proper balance of growth.

The County is still exploring additional mechanisms such as down-zoning, TDRs, easement supplements, tax incentives, county based easement purchases, cluster zoning, conservation easements and set backs for residential development.

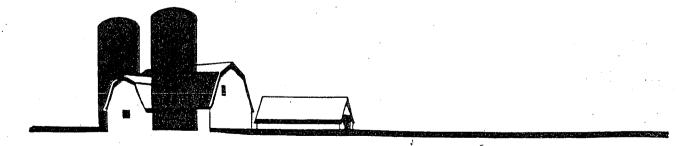
Presently, the County uses funds for tax credits on districts and easements. The first tenyear districts will be expiring in 2000, at which time the program will be analyzed to see whether or not tax credits for districts should continue.

Washington County relies on easements and tax breaks as preservation tools. However, they recognize that the MALPF program will not be sufficient if they are to reach their goal of 50,000 acres of permanently preserved farmland. Because of this, they are vigorously pursuing the Rural Legacy program. The County does have two other things working in their favor: preservation efforts around Antietam Battlefield, and a large community of Mennonites who are committed to farming.

As of June 30, 1999, there were 194 Washington County properties enrolled in the MALPF program as State districts, totaling 26,335 acres. Of those properties, 34 have been permanently protected by State Easements totaling 6,348 acres. Washington County has purchased one easement property through their local program totaling 124.7 acres.



MARYLAND COUNTIES



ACREAGE ADJUSTMENTS

The table on the opposite page shows acreage reductions in district and easement properties recorded from July 1, 1998 through June 30, 1999. The table is comprised of five (5) factors that would result in an adjustment of the Program's acreage base and include approved and recorded lot exclusions for owners or children, exclusions by a county for public benefit, early termination due to severe economic hardship, district terminations and acreage adjustments from deeds.

During FY '99, six District Agreements were terminated after meeting the minimum 5 year commitment and there were a few partial terminations for various reasons. Together, a total of 798.74444 acres were released from district restrictions. In addition, a total of 24.00 acres were released from easement restrictions for the purpose of constructing dwelling houses intended for the use of the landowners and/or their children. These lot exclusions vary in size between 1.00 to 2.00 acres.

Since the program began, a total of 207 districts covering 33,051 acres have been terminated but it is important to note that some properties have reentered the program after adjustment acreage contained in original districts.

When lots are released for an owner's or children's lot, the landowner is required to pay back the per acre value of the easement originally paid to them when new lots are created on lands where the Foundation has purchased agricultural land preservation easements. This requirement has been in effect since 1982. No pay back is involved for lots excluded from the program while the property is in district status. In FY '99, the total payback amount for lot exclusions in easement properties equaled \$29,018.31.

To date, the cumulative total payback amount for lot exclusions, since 1982 is \$160,536.30.

It is important to note that easement restrictions are placed on the total property acreage within the district; however, a landowner is not compensated for the one acre area surrounding each dwelling that was in existence at the time the easement was purchased. Future exclusions of these dwellings would not require a payback if only 1.00 acre is excluded with them. The law may allow up to 2 acres to be excluded if necessary for septic reserve. Under this scenario, a payback will be required for the extra 1.00 acre prior to its release.

The Foundation may receive requests from county governments to exclude land from district or easement restrictions for the purpose of public benefit. Some examples may include road improvements or the taking of land for the construction of bridges or culverts. There were no acres excluded for public benefit during FY '99. Since the program began, a total of 21.469 acres have been excluded for such public improvements resulting in a total payback of \$2,490.43.

In the easement settlement process, acreage adjustments are often made after a title search is performed. The verification of acreage through research of ownership including out-conveyances and surveys may total a different amount than that shown on the district agreement. Therefore, adjustments are made to the data base. During FY '99, there was a net decrease of 166.0256 acres due to adjustments from deeds. The total net loss from such adjustments to date, since the program first began, totals 893.5330 acres. The total acreage reductions from all sources recorded between July 1, 1998 and June 30, 1999, total 998.3998 acres.

ACREAGE REDUCTIONS IN DISTRICTS OR EASEMENT PROPERTIES

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FY '99 DISTRICT PARTICIPATION

In FY '99 the Foundation approved the establishment of 158 new agricultural land preservation districts protecting an additional 20,446 acres.

The adjusted total acreage base of recorded and approved district properties as of June 30, 1999 was 342,502 acres, covering 2,581 individual district properties!

There were 6 district terminations totaling 798.7444 acres during FY '99. Routine termination of districts has been a potential factor only since FY '84 when the first districts in the program had been in district status for at least five years.

Acreage adjustments from deeds resulted in a decrease of 998.3998 acres in the program's acreage base on properties pending easement sale after verifying acreage within the district.

After adding the acreage of newly established districts to last year's total acreage base (323,031 acres) and then subtracting the total acreage adjustments from full and partial terminations, district lot exclusions and acreage adjustments from deeds during FY '99 (998.3998 acres), the adjusted total acreage base of recorded and approved district properties as of June 30, 1999 was 342,502 acres, covering 2,581 individual district properties.

During FY '99, Queen Anne's County enrolled the most district acreage in the program with twenty (20) new agricultural districts being established covering 3,330 additional acres. Carroll County was next adding 2,285 acres to the program during FY '99.

Baltimore County added 2,199 acres and St. Mary's County added 2,153 acres. There were several other counties who also added significant acreage to the program's acreage base.

The largest distribution of district acreage is located in Central Maryland (Carroll, Baltimore, Harford, Montgomery and Howard Counties). The total acres enrolled from this area are 112,942 district acres, or 33% of all district acres statewide. The next largest area of distribution is the Upper Eastern Shore (Queen Anne's, Talbot, Cecil, Kent, and Caroline Counties), which represents 110,670 acres or 32.3% of the total district acreage base. In the Western Region (Garrett, Allegany, Washington and Frederick) a total of 55,922 acres or 16.3% were enrolled in the program. In the Southern Region (Anne Arundel, St. Mary's, Calvert, Charles and Prince George's) there is a total of 33,469 acres enrolled in the program, which represents 9.8% of the total district acreage base. The Lower Shore (Dorchester, Wicomico, Worcester and Somerset) has a total of 29,499 acres or 8.6% of the total district acreage base.

Several counties had significant increases in total acres entering the program, which slightly altered the previous percentage totals listed in last year's annual report.

The Maryland Agricultural Land Preservation Foundation Program continues to preserve quality farmland and relies on the continued coordination and cooperation of local governments and, of course, the willingness of landowners.

MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION FY '99 DISTRICT PARTICIPATION

							7777				
COUNTY	Record As Of J	Recorded Districts As Of June 30, 1998	Аррг Дигілд	Approved Juring FY '99	Dis Termi *includes part	District Terminations *includes partial terminations	Ad	Acreage Adjustments	Total Re Approve As Of Ju	Total Recorded and Approved Districts As Of June 30, 1999	Percen- tage
	No. of Districts	District Acreage	No. of Districts	District Acreage	No. of Districts	District Acreage	District Lot Exclusion Acreage	Acreage Adjustments From Deeds	No. of Districts	District Acreage	Of Total
ALLEGANY	3	335.1980	. 2	445.8600					5	781.0580	0.2%
ANNE ARUNDEL	95	9,139.2813		200.1900					96	9,339.4713	2.7%
BALTIMORE	291	27,005.2647	22	2,198.8084				-1.9950	818	29,202.0781	8.5%
CALVERT	47	6,083.7792	-	90.3600				-2.9490	48	6,171.1902	1.8%
CAROLINE	274	37,548.6665	15	1,832.4067	2	-149.2334		-2.4430	287	39,229.3968	11.5%
CARROLL	372	45,435.8395	18	2,284.8438	1-	-138,0000	-1.1298	1.3566	389	47,582.9101	14.0%
CECIL	90	14,676.3589		507.5780		-133,3080		-127,5608	. 6	14,923.0681	4.4%
CHARLES	63	9,860.1955	5	771.9116					89	10,632.1071	3.1%
DORCHESTER	99	10,224.3390	6	1,176.1500			-	-8.4400	74	11,392.0490	3.3%
FREDERICK	150	22,386.0570	7	813.9923			-4.0000		157	23,196.0493	%8.9
GARRETT	40	5,625.3778	1	157.1100	7	-171.9400		-1.3500	40	5,609.1978	1.6%
HARFORD	228	24,761.5395	5	442.3788	*	-5.0000		0.7896	233	25,199.7079	7.3%
HOWARD	49	6,281.8034							49	6,281.8034	1.8%
KENT	. 78	14,550.3622	5	793.9500				2	83	15,344.3122	4.5%
MONTGOMERY	24	4,675.9446		-					. 24	4,675.9446	1.4%
PRINCE GEORGE'S								. ,			0.0%
QUEEN ANNE'S	152	26,120.7014	20	3,329.6590			-1.5000		172	29,448.8604	8.6%
ST. MARY'S	36	5,171.9083	18	2,152.7690	*	-3.2630	-1.0000		54	7,320.4143	2.1%
SOMERSET	32	4,632.4550							32	4,632.4550	1.4%
TALBOT	89	10,923.8478	9	1,007.9420	1-	-198.0000	-2.0000		73	11,731.7898	3.4%
WASHINGTON	. 185	25,000.0210	6	1,334.7900					194	26,334.8110	7.7%
WICOMICO	63	8,416.6105	. 2	252.3800				-5.6840	. 65	8,663.3065	2.5%
WORCESTER	24	4,175.1045	4	652.9500	-			-17.7500	28	4,810.3045	1.4%
TOTAL	2,429	323,030.6646	158	20,446.0296	9	-798.7444	-9.6298	-166.0256	2,581	342,502.2854	100%
				* Indianta	e nartial terminat	* Indicates nartial formination of District Agrees					

* Indicates partial termination of District Acreage

REGIONAL ANALYSIS: PERCENTAGE OF TOTAL DISTRICT ACREAGE

REGIONS	FY '96	FY '97	FY '98	FY '99
WESTERN: Garrett Alleghany Washington Frederick	16.7% 47,703 acres	16.4% 49,645 acres	16.5% 53,348 acres	16.3% 55,922 acres
CENTRAL: Carroll Baltimore Harford Montgomery Howard	33.5% 95,850 acres	33.3% 101,015 acres	33.5% 108,160 acres	33.0% 112,942 acres
SOUTHERN: Anne Arundel St. Mary's Calvert Charles Prince George's	9.6% 27,523 acres	9.5% 28,846 acres	9.4% 30,255 acres	9.8% 33,469 acres
UPPER SHORE: Queen Anne's Talbot Cecil Kent Caroline	32.2% 92,197 acres	33.0% 99,941 acres	32.1% 103,819 acres	32.3% 110,670 acres
LOWER SHORE: Dorchester Wicomico Worcester Somerset	8.0% 22,908 acres	7.8% 23,839 acres	8.5% 27,449 acres	8.6% 29,499 acres
TOTAL ACREAGE	286,181 acres	303,286 acres	323,031 acres	342,502 acres

REGIONAL ANALYSIS: PERCENTAGE OF TOTAL EASEMENT ACREAGE

REGION	FY '96	FY'97	FY '98	FY '99
WESTERN: Garrett Alleghany Washington Frederick	14.0% 17,495 acres	13.4% 18,657 acres	13.3% 20,242 acres	14.0% 23,203 acres
CENTRAL: Carroll Baltimore Harford Montgomery Howard	38.9% 49,770 acres	37.4% 52,263 acres	37.0% 56,465 acres	36.0% 60,115 acres
SOUTHERN: Anne Arundel St. Mary's Calvert Charles Prince George's	7.0% 8,973 acres	7.1% 10,009 acres	7.2% 10,880 acres	7.0% 12,104 acres
UPPER SHORE: Queen Anne's Talbot Cecil Kent Caroline	33.4% 43,160 acres	34.4% 48,138 acres	35.0% 53,182 acres	35.0% 58,286 acres
LOWER SHORE: Dorchester Wicomico Worcester Somerset	6.7% 8,633 acres	7.1% 10,761 acres	7 .5% 11,519 acres	8.0 % 13,821 acres
TOTAL ACREAGE	128,031 acres	139,828 acres	152,288 acres	166,529 acres

EASEMENT ACQUISITION PROGRAM

FY '99 Easement Acquisition

Average values of all accepted offers during FY '99 are analyzed in the facing table by county and for the entire State. For FY '99, after settlement, a total of 14,274 acres will be placed under perpetual easement. The values listed in the table reflect average asking prices and average appraised values of properties within each county during FY '99. They pertain exclusively to those properties on which easement offers were accepted and should not be considered as representative values of all farmland in any one county.

The average farm size of the 104 properties approved for easement sale and accepted by the landowner during FY '99 is 137 acres, down from 148 acres in the previous cycle. The average asking price was \$1,650 per acre, which was slightly lower than the asking prices of the prior cycle. The average easement value for FY '99 was \$2,345 per acre, which was also slightly lower than last cycle's average of \$2,364 per acre.

The FY '99 average acquisition cost was \$1,619 per acre, which was lower than the average acquisition cost during FY '98. The acceptance of 104 out of 118 easement offers made during this cycle shows a total acquisition cost of \$23,109,183.43 of which \$16,050,693.48 or 70% were State Funds and \$3,749,624.76 or 16% were County Matching Funds and \$1,011,111.01 or 4% were Federal Funds. The remaining 10% of total funds were made up of additional funds to purchase the next ranking County easements using 100% County funds in Carroll County.

Carroll County provided an additional \$2,203,424.90 to acquire easements unmatched by State funds. Harford County also provided an additional \$94,329.28 to make a full offer to one landowner.

During FY '99 the Foundation made four insufficient funds offers. However, the Foundation's Board of Trustees voted to allow Foundation staff to make additional offers if rejections were received. This allowed the Foundation to utilize all funds for the FY '99 Easement Acquisition Program. On August 24, 1999, the Trustees voted to make full offers to landowners who received an insufficient funds offer if additional monies were received from rejections.

A total savings of \$10,660,891.96 in FY '99 was realized by the Foundation in making offers that were less than the appraised easement value, but equal to the landowner's asking price and thus considered a discount to the State. A landowner may be willing to sell an easement to the State at a discounted value to ensure that they will receive a better ranking, which increases their chance of receiving an easement offer.

Using the \$1,619 average acquisition cost per acre as a unit of measure for FY '99, the Foundation was able to purchase an additional 6,585 acres due to the competitive bidding component of the program. Maryland continues to be the most cost effective land preservation program in the county, which is due largely to competitive bidding.

MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION FY '99 EASEMENT ACQUISITION PROGRAM

,	NUMBER	TOŢĀL	AVERAGE	AVERAGE	AVERAGE	AVERAGE	AVERAGE	ACQUISITION COST	ION COST	
COUNTY	OF EASEMENTS	ACRES	FARM	PRICE PER ACRE	FAIR MARKET VALUE/ACRE	TURAL USE/ACRE	EASEMENT VALUE/ACRE	PER ACRE	TOTAL	DISCOUNT
ALLEGANY										
ANNE ARUNDEL	2	247.5740	124	4,000	5,146	529	4,617	4,000	986,296	118,308
BALTIMORE	8	850.7000	106	3,037	5,467	593	4,875	3,037	2,543,569	1,572,077
CALVERT	1	110.5930	1111	000'9	8,288	869	7,650	000'9	651,558	179,214
CAROLINE	9	1,039.7935	173	009	1,847	206	940	009	603,521	345,838
CARROLL	16	1,927.8772	120	2,280	3,682	585	3,097	2,280	4,313,538	1,510,154
CECIL	3	607.0300	202	1,430	3,065	749	2,317	1,430	809,129	565,543
CHARLES	2	401.4356	201	1,400	1,960	343	1,617	1,400	560,610	89,603
DORCHESTER	. 7	1,227.8600	175	839	1,971	597	1,374	839	1,005,553	616,541
FREDERICK	5	772.8530	155	1,594	3,060	611	2,449	1,594	1,246,847	659,177
GARRETT	2	132.6300	99	1,295	950	417	533	533	74,754	
HARFORD	9	880.1760	147.	2,265	3,966	629	3,337	2,265	2,048,691	978,383
HOWARD								·		
KENT	9	972.6590	162	1,721	4,020	775	3,245	1,721	1,462,294	1,229,507
MONTGOMERY										
PRINCE GEORGE'S							,			
QUEEN ANNE'S	8	1,135.4270	142	916	2,410	793	1,617	916	1,003,873	988,699
ST. MARY'S	5	467,4040	93	2,940	2,899	389	2,510	2,446	911,247	14,808
SOMERSET	. 2	145.0400	73	. 500	726	283	443	443	62,835	7,378
TALBOT	10	1,362.1860	136	1,410	3,152	828	2,315	. 1,410	1,878,262	1,192,515
WASHINGTON	∞	1,063.3790	133	2,010	3,067	0.19	2,397	1,991	2,121,324	443,260
WICOMICO	4	442.2700	. 111	1,060	1,787	700	1,087	947	411,705	70,326
WORCESTER	3	487.5645	163	850	1,600	594	1,007	850	413,580	19,559
TOTAL	104	14,274.4518	137	1,650	3,012	199	2,345	1,619	23,109,183	10,660,892

EASEMENT PARTICIPATION

FY '99 Easement Participation

The Maryland Agricultural Land Preservation Foundation received a total of 336 applications to sell an agricultural land preservation easement.

Since the Foundation cannot purchase easements on all properties submitted, each year the Board of Trustees request the counties with applicants to prioritize and submit their approval of up to five applications or the top 80% of the total number of applications received from their county.

This review and prioritization helps the county and their local preservation program (if established) to meet their goals as they relate to agricultural land preservation. In addition, it helps to maximize the use of State funds for actual easement purchases by limiting the number of properties to be appraised, thus saving on appraisal costs. As a result, 269 properties were appraised.

The Foundation was able to make 118 easement offers, with 104 out of the 118 easement offers made accepted (88% acceptance rate). A total of 14,274 acres were placed under contract status.

The easement participation chart on the opposite page reflects the easements which were acquired during FY '99.

The FY '99 Easement Acquisition Program added 104 additional easement properties, which is significantly more than the 84 added in FY '98. The average farm size in FY '98 was 148 acres, while in FY '99, the average farm size was 137 acres.

As of June 30, 1999, the Foundation preserved 1,156 easement properties permanently protecting 166,529 acres. This is significantly more than any other program of its kind in the United States.

In comparing individual county progress for FY '99, once again, Carroll County had the most acreage preserved, spread over 16 properties adding 1,928 acres to last year's grand total of 28,048 county acres permanently preserved. Carroll County still holds the title for the most acreage preserved in the State.

Talbot County has added the second largest acreage increase with 1,362 acres, preserving ten (10) new properties.

Other counties also added significant acreage including Dorchester (1,228 acres), Queen Anne's County (1,135 acres), Washington County (1,063 acres) and Caroline County (1,040 acres).

Carroll County committed an additional \$2.4 million of County money above and beyond their local matching fund commitment to be used to purchase additional easements in Carroll County. These funds were unmatched by State funds. Although the easements would be held by the State and processed by the State, some Carroll County easements were acquired using 100% County Funds. Harford County also added additional local funds to help make up the difference of an insufficient funds offer.

Clearly, these increases reflect a strong commitment to farmland preservation on behalf of the landowners, the counties and the State during tight financial times.

MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION EASEMENT PARTICIPATION

County	Easement A Contract S June 3	asement Acquired Or w/ Contract Status As Of June 30, 1998	Easemen & Ac FY	Easements Offered & Accepted FY '99	Less Recorded Lot Exclusions from Eascments	Total Easen Or w/ Co As Of Ju	Total Basements Acquired Or w/ Contract Status As Of June 30, 1999	JO %
	Number	Acreage	Number	Acreage	Acreage	Number	Acreage	Total
Allegany	П	183.2920				1	183.2920	0.1%
Anne Arundel	30	3,697.4377	2	247.5740	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	32	3,945.0117	2.4%
Baltímore	118	13,053.6142	8	850.7000	-3.0000	126	13,901.3142	8.3%
Calvert	25	3,536.9193		110.5930	-1.0000	26	3,646.5132	2.2%
Caroline	145	20,266.4009	9	1,039.7935	-4.0000	151	21,302.1944	12.8%
Carroll	219	28,047.6234	16	1,927.8772	-4.1298	235	29,971.3708	18.0%
Cecil	49	8,372.0404	3	607.0300	-3.0000	52	8,976.0704	5.4%
Charles	5	1,101.2380	2	401.4356		7	1,502.6736	1.0%
Dorchester	20	3,655.5920	7	1,227.8600		27	4,883.4520	2.9%
Frederick	65	11,233.2935	5	772.8530	0000.9-	70	12,000.1465	7.2%
Garrett	24	3,537.4740	2	132.6300	-1.0000	26	3,669.1040	2.2%
Harford	84	9,140.7008	9	880.1760		06	10,020.8768	6.0%
Howard	27	3,954.7802			-2.0000	~ 27	3,952.7802	2.4%
Kent	39	7,189.1642	9 .	972.6590		45	8,161.8232	4.9%
Montgomery	11	2,070.7305				. 11	2,070.7305	1.2%
Prince George's						-		
Queen Anne's	7.1	13,032.5776	∞	1,135.4270	-2,5000	79	14,165.5046	8.5%
St. Mary's	19	2,543.8410	5	467.4040	-2.0000	24	3,009.2450	1.8%
Somerset	. 15	2,500.1680	2	145.0400	-1.0000	. 17	2,644.2080	1.6%
Talbot	22	4,521.2130	10	1,362.1860	-4.0000	32	5,879.3990	3.5%
Washington	26	5,284.6550	∞	1,063.3790		34	6,348.0340	3.8%
Wicomico	28	3,864.6080	4	442.2700		32	4,306.8780	7.6%
Worcester	6	1,500.7100	. 3	487,5645		12	1,988.2745	1.2%
Total	1,052	152,288.0752	104	14,274.4518	-33.6298	1,156	166,528.8957	100.0%

EASEMENT ACQUISITION PROGRAM HISTORIC PERSPECTIVE

The Historic Perspective table shows easement acquisitions by year. The table also factors in adjustments from deeds and late rejections of easement offers after initial acceptance, which is noted in the final figure. Total dollar values and average cost per acre by year are based on easement acreage only. The average fair market, agricultural and easement values are based on the appraisals obtained by the State and used in making easement offers. However, these figures do not reflect adjustments for acreage as settled. Any adjustments made due to deeds and/or surveys are reflected in the acreage subtracted at the bottom of the chart shown on the opposite page. These adjustments reflect those that are reflected in the acreage reduction chart on page 25. The table also shows the historic total of acreage reductions which resulted from lot exclusions. Adjustments made to reflect the total payback amount associated with lot exclusions and other adjustments from deeds to date are shown at the bottom of the acquisition cost column.

Over the past 22 years, a total of 1,156 applicants have accepted easement offers of the 1,659 offers made by the Foundation representing an historic 60% acceptance rate. The land contained on the 1,156 farms that have accepted the Foundation's easement offer total 166,529 acres. This adjusted figure takes into consideration a total reduction of 24.00 acres from lot exclusions in FY '99. Historically, the average farm size is 145 acres.

The historic average asking price of landowners is \$1,380 per acre, which is up slightly from FY '98 figures. The historic average easement value is \$1,607 per acre (also up from last year's figures). However, the average historic

acquisition cost increased to \$1,619 per acre from last year's historic acquisition cost of \$1,165 per acre. Historically, landowners have discounted their asking price substantially. This is done in the form of a competitive bid to improve their ranking and perhaps to obtain a better chance of receiving an offer from the Foundation. This becomes very important during times of limited funds.

The discount value is expressed not only in total dollars saved by competitive bidding but also by the additional easement acres acquired each year determined by dividing the discount amount by the acquisition cost per year for that year.

The discount value plays a very important role to the Foundation in making easement offers. The discount value is the amount the Foundation saves by making easement offers to landowners based on their asking price if it is less than the appraised easement value. Over the years, due to competitive bidding and the discounted values, the Foundation has been able to purchase easements at a discount with a savings of \$64,169,414. In theory, this allowed the State to purchase 39,635 additional acres. Therefore, the most cost effective component of the program is distinguished by the nature of the competitive bidding mechanism.

MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION EASEMENT ACQUISITION PROGRAM - HISTORIC PERSPECTIVE

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	DISCOUNT	VALUE	ADDTL ACRES TOTAL AMT.	17,516/acres \$17,796,9840	1.968/acres \$3,627,095	3.096/acres 4,422,093	2.022/acres 2,918,222	2.756/acres 3,668,800	2.629/acres 4,041,142	6.838/acres 9,450,159	4,641/acres 7,584,027	\$ <u>6.585/acre</u> 10,660,892	<u>39.635/acres</u> 64,169,414
	ACQUISITION	COST	AVG.PER ACRE TOTAL AMT.	\$1016/acre \$108,740,917	\$1843/acre \$5,686,788	. <u>\$1428/acre</u> \$5,313,523	\$1443/acre 5,352,330	\$1.331/acre 5,539,661	\$1,537/acre \$10,109,481	<u>\$1,382/acre</u> 16,324,772	\$1,634/acre \$20,378,116	\$ <u>1.619/acre</u> 23,109,183	\$200,544,772 1.619/acre LESS:157.639 \$ 200,387,133
		EASEMENT	AVG.PER ACRE TOTAL AMT.	\$1185/acre \$126,786,333	\$3208/acre \$9,898,511	\$2682/acre \$9,977,913	\$2292/acre \$8,499,429	\$2.184/acre 9,087,226	<u>\$2,205/acre</u> 14,496,078	<u>\$2,193/acre</u> 25,891,901	\$2,364/acre \$29,481,412	\$ <u>2,345/acre</u> 33,473,495	\$1,607/acre \$267,592,298
	APPRAISED VALUES	AGRICULTURAL	AVG.PER ACRE TOTAL AMT.	\$1312/acre \$140,443,572	\$647/acre \$1,996,538	\$776/acre \$2,887,787	\$745/acre \$2,760,910	\$834/acre \$3,470,611	\$773/acre \$5,081,222	<u>\$655/acre</u> 7,734,524	\$666/acre \$8,305,238	\$ <u>667/acre</u> 9,516,930	\$1,094/acre \$182,197,333
		FAIR MARKET	AVG.PER ACRE TOTAL AMT.	\$2460/acre \$263,212,656	\$3855/acre \$11,895,050	\$3459/acre \$12,865,700	\$3.037/acre \$11,260,350	\$3,043/acre \$12,662,825	\$2.977/acre \$19,577,300	\$2,848/acre 33,625,725	\$3,027/acre 37,741,650	\$ <u>3,012/acre</u> 42,990,425	\$2,677/acre \$445,831,681
	ASKING PRICE.	ACCEPTED	AVG.PER ACRE TOTAL AMT.	\$1,213 acre \$1,29,783,289	\$2011/acre \$6,204,831	\$1840/acre \$6,847,498	\$1650/acre \$6,119,937	\$1618/acre \$6,732,335	<u>\$1,697/acre</u> \$11,156,156	\$1,470/acre 17,360,614	\$ <u>1,688/acre</u> 21,047,013	\$ <u>1,650/acre</u> 23,556,074	\$1.380/acre \$229,807,747
	e e	AVERAGE FARM	SIZE	144? acres	139 acres	137 acres	155 acres	166 acres	132 acres	141 acres	148 acres	137 acres	145 acres
		TOTAL	ACRES	106,976.5016	3,085.3619	3,719.6465	3,708.2060	4,160.5525	6,575.4135	11,808.4475	12,469.7617	14,274.4518	166,778.3430 LESS:240.4473 166,528.89 <i>57</i>
	ACCEPTED	OFFERS	ACCEPTANCE RATE	736 of 1,184 62%	22 of 26 85%	<u>27 of 28</u> 96%	<u>24 of 32</u> 75%	25 of 34 74%	50 of 59 85%	84 of 88 95%	, <u>84 of 90</u> 92%	104/11 <u>8</u> 88%	1156 of 1659 60%
		FISCAL	YEAR	1977 to 1993	1994 Cycle One	1994 Cycle Two	1995 Cycle One	1995 Cycle Two	1996	1997	1998	6661	TOTAL

PRESERVATION VERSUS CONVERSION

The graph and table on the opposite page reflect a comparison of preservation versus conversion and covers the period between 1991 and 1999. This illustration shows a comparison between the amount of farmland in Maryland that has been preserved versus farmland converted to other uses. It also depicts the corresponding amount of easement acreage acquired between that period of time.

There were 104 new easement offers made and accepted in FY '99. This represents an increase of 14,274 acres preserved in FY '99.

The amount of farmland that is continually being lost to development far surpasses that which is being preserved. Despite the fact that Maryland continues to have the most successful program of its kind in the country, farmland is disappearing at an alarming rate.

To date, preservation efforts of the Maryland Agricultural Land Preservation Foundation have protected only about 62% of the farmland lost during the past ten years. The amount of farmland being converted to other uses slowed drastically in the early 90's.

FY '99 is the first and only year of this Decade where the Foundation has preserved more acreage than that which was lost or converted to other land uses!!!

The total amount of preserved land in the adjoining graph represents only those areas protected by the Maryland Agricultural Land Preservation Foundation.

There are, however, other programs including federal, state, county and private land trusts that help to protect Maryland's farmland. Thus, the total amount of preserved farmland over the past ten years is actually greater than that shown on the chart.

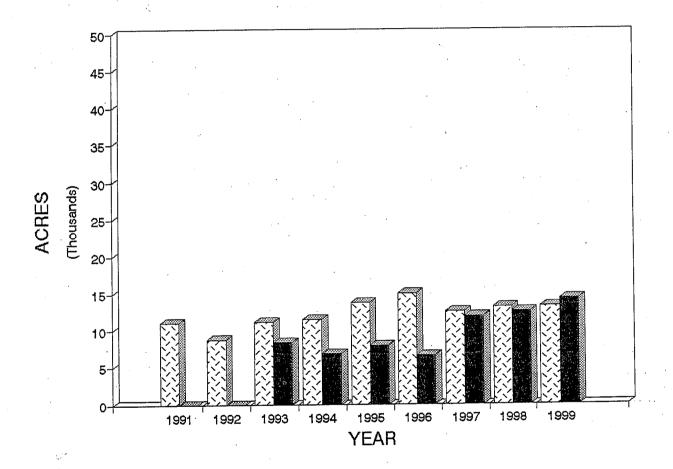
The Foundation is proud of its past accomplishments. However, in spite of being the most successful program of its kind in the country, it continues to be a struggle to keep pace with conversion.

Over the last nine years, Maryland has lost an average of 12,205 acres per year. With current and recent funding levels, the Maryland Agricultural Land Preservation Foundation has been able to preserve an average of only 7,640 acres per year.

In order to preserve more farmland and to work closely with other preservation programs, a more concentrated and coordinated effort with local jurisdictions and other programs to preserve our precious land must be made. The time to preserve is now, especially in light of the current economy, low interest rates, the future threat of development and the public support.

Maryland has shown a lot of support for preservation and has been committed to the preservation of farmland but its efforts require the cooperation of local governments and landowners to make it work. Together, we can preserve Maryland and its agricultural resources but NOW is the time to do it.

PRESERVATION VERSUS CONVERSION



CONVERTED FARMLAND



PRESERVED FARMLAND

NOTE: Acres of preserved farmland in the above chart only reflects that which was preserved by the Maryland Agricultural Land Preservation Foundation. There may have been more farmland acres preserved through various county programs, local land trusts and other state programs.

	1991	1992	1993	1994	1995	1996	1997	1998	1999	TOTAL
CONVERTED FARMLAND	11,070	8,719	11,132	11,430	13,743	14,995	12,491	13,078	13,186	109,844
PRESERVED FARMLAND	0	0	8,358	6,805	7,869	6,575	11,808	12,470	14,274	. 68,159
DIFFERENCE .	-11,070	-8,719	-2,774	-4,625	-5,874	-8,420	-683	-608	-1,088	-41,685

MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION BOARD OF TRUSTEES

Appointed Members

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SPECIAL THANKS

Thank you to the Program Administrators in each county for their cooperation, support and administration at the local level.

Your dedication in dealing with the State program and your local program contributes to the success of the Maryland Agricultural Land Preservation Foundation.

The Board of Trustees continue to work on a long-term comprehensive review of the Maryland Agricultural Land Preservation Foundation. Many issues have been discussed and many more will be addressed. Hopefully, we will make significant progress during the next fiscal year.

Together, we will continue to evaluate and identify areas of concern which will benefit not only the program but, the participants of this program as well. After all, it is the landowners and their willingness to participate (along with adequate funding) that makes this program a success.

A special thank you goes to my staff. Their hard work and dedication in concert with your cooperation and support helps the Maryland Agricultural Land Preservation Foundation to continue in its mission of protecting some of Maryland's finest farmland.

Sincerely,

Paul W. Scheidt Executive Director





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